



U.S. Department of Justice

United States Attorney
Southern District of New York

The Silvio J. Mollo Building
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New York, New York 10007

May 29, 2019

BY CM/ECF

The Honorable Katherine Polk Failla
United States District Court
Southern District of New York
40 Foley Square
New York, New York 10007

Re: United States v. Anilesh Ahuja, et al.
S1 18 Cr. 328 (KPF)

Dear Judge Failla:

The Government writes in response to the defendants' joint letter regarding their proposed *voir dire* of prospective jurors.

The Government objects to the defendants' proposed description of PPI in two respects. *First*, the defendants ask the Court to define PPI as a "real estate investment business that, among other things, managed a series of hedge funds." That description is inaccurate and misleading, including because it suggests that PPI was a real estate company and conflicts with the defendants' own description of PPI to the Court and to its investors. The Government asks that the Court instruct the jury that PPI was an "investment manager that, among other things, managed hedge funds the invested in mortgage-backed securities." This description is drawn verbatim from Ahuja's description of PPI in his papers to the Court, including most recently in his motions *in limine*. (See, e.g., Ahuja May 10, 2019 Mot. 2 ("Anilesh Ahuja was the majority owner and CEO of PPI, an *investment manager that, among other things, managed hedge funds that invested in mortgage-backed securities* from 2009 through 2016.") (emphasis added); see also, e.g., PPI Due Diligence Questionnaire, August 2015 (PPI-SEC 00003397) ("Founded in June 2008, PPI is an alternative asset manager that engages in relative value trading and fundamental credit investing in the residential mortgage markets. . . . The Mortgage Credit Fund is PPI's flagship fund. It applies a top down-bottoms up approach to security selection to focus on investment opportunities in the MBS market with an emphasis on residential securities.")).

Second, the defendants ask the Court to instruct the jury that hedge funds "are high risk investment structures where the clients' investments are managed by the fund's employees (typically a portfolio manager) in exchange for the payment of fees, including fees based on the amount invested and the performance of the fund." This description is again inaccurate and misleading, including because it suggests, incorrectly, that all hedge funds are high risk and that the fees were paid to employees, not the investment manager. The Government asks the Court to instruct the jury that a hedge fund is "an investment fund that pools investor money and invests

¹ As the Government has advised Mr. Ahuja, the Government does not intend to suggest that he or his then employer, Deutsche Bank, caused the financial crisis.